



**ASBISc Enterprises Plc
Remuneration Report
2021 – 2022
financial years**

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Introduction

ASBISC Enterprises Plc. (hereinafter referred to – Company, ASBIS) has designed and integrated a Remuneration Policy for Members of Management Board in line with the provisions on remuneration as set out the Public Offer and the Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies Act which transpose regulations of Directive (EU) 2017/828, dated 17 May 2017.

Following regulations of Directive (EU) 2017/828, the Annual General Meeting of Shareholders of ASBISc Enterprises Plc dated 6 May 2020 approved a new Remuneration Policy for Members of Management Board.

The Remuneration Policy for Members of the Management Board describes the principles for payment of remuneration to the members of the Management Board.

This Remuneration Policy is available at the Company's registered office and on its website <https://investor.asbis.com/remuneration-policy>

The Remuneration Report for each financial year is subject to be assessed by auditors and approved at the Annual General Meeting each year under a separate item on the agenda.

This Remuneration Report provides an overview of the Remuneration Policy for ASBISc Enterprises Plc Management Board and the application thereof in 2022.

Key highlights – 2022 performance

In 2022 despite the ongoing full-scale war in Ukraine, high inflation and the general, uncertain geopolitical situation, ASBIS has not slowed down but rather steamed up its engine and continued its strategy of focusing on profitability, developing its markets and refining its product portfolio. We have continued investing in Central Asia and Caucasus region and in particular: Kazakhstan, Azerbaijan, Uzbekistan, Georgia and Armenia. We have also dynamically invested in Adriatic and Balkans regions.

In 2022, we have decided to launch a new business division related to robotics – ASBIS Robotic Solutions (AROS) based on two major segments – the distribution of collaborative robots (cobots) from leading global brands in the sector as well as own robotic platforms under own brand – CRON ROBOTICS.

In 2022, we have also continued to diversify our activities by investing in two companies from the biotechnology sector i.e., PROMED BIOSCIENCE LTD and RSL Revolutionary Labs Ltd - operating in a growing market and at an early stage of their development.

In 2022, ASBIS generated revenues of USD 2,7 billion (down only 12.60% compared to 2021). Gross profit margin much improved and reached 8.47% in 2022. The profit from operations (EBIT) reached USD 111 million (down 2.4% compared to 2021) and net profit after taxation amounted to USD 75.9 million, as compared to USD 77.1 million in 2021 - the highest ever net profit in the Company's history.

As of December 31, 2022, ASBIS had USD 134.6 million in cash and equivalents on its balance sheet, as compared to USD 184.6 million at the end of 2021.

The Management Board delivered on its promise of short-and long-term value creation, by taking important steps towards further execution of ASBIS's growth strategy.

The Management Board is extremely satisfied with the Group's results in 2022. Such results are an incredible achievement and prove that the Company is well prepared to weather any difficulties and able to quickly adapt to the new realities.

**Summarized overview of ASBIS remuneration policy and application in 2022
/ in thousands USD/**

| | Policy summary | Application in 2022 |
|-----------------------|---|--|
| Fixed salary | <ul style="list-style-type: none"> A fixed salary is paid to Executive Directors in 13 equal monthly instalments and to Non-Executive Directors in 12 equal monthly instalments. The aim of the fixed salary is to attract and retain the best-qualified members Fixed salary is considered on a regular basis in light of economic climate, market conditions, Company performance, the individual's role, skills and remit, and increases elsewhere in the Company. | <ul style="list-style-type: none"> Fixed salary was paid as follows: <ul style="list-style-type: none"> Siarhei Kostevitch – USD 205, Marios Christou – USD 123, Costas Tziamalis – USD 123, Julia Prihodko – USD 50, Tasos Panteli – USD 13, Maria Petridou – USD 13 |
| Incentive pay | <ul style="list-style-type: none"> Incentive pay is based on performance criteria and it is in line with the business strategy, market condition and the specific environment in which the Company operates. Incentive pay is paid only if it is sustainable according to the financial situation of the Company as a whole and justified according to the performance of the business unit, the fund and the individual concerned. At the target level: <ul style="list-style-type: none"> quarterly financial, non-financial and personal objectives, paid up to around 7% of the Chief Executive Officer's total pay and up to 5% of the Deputy CEO and Chief Finance Officer's total pay, Net profit bonus - calculated as % from achieved NP target. The maximum level is up to 11% of the Deputy CEO and Chief Finance Officer's total pay, Net Profit commissions - calculated as a % from Profit after Tax. The maximum level is up to approximately 44% of the Chief Executive Officer's total pay. | <p>Applicable criteria and their weight:</p> <ul style="list-style-type: none"> financial results: 100% non-financial targets: not quantified personal objectives: not quantified <p>Actual pay-out was as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 773, Marios Christou – USD 170, Costas Tziamalis – USD 170, Julia Prihodko – USD 35 |
| Provident Fund | <ul style="list-style-type: none"> The members of the Management Board are not entitled to any pension contributions however they participate in the Employees' Provident Fund. | <p>Provident Fund was paid as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 6, Marios Christou – USD 4, Costas Tziamalis – USD 4 Julia Prihodko – USD 2 |

Application of Remuneration Policy in 2022

Fixed salary

The fixed salary for the members of the Management Board is determined by the Remuneration Committee.

The base salaries for the members of the Management Board in 2022 decrease as compared to 2021 due to change of EUR/USD rate.

| Annual fixed salary for the management board /in thousands USD/ | | |
|--|-------------|-------------|
| | 2022 | 2021 |
| Siarhei Kostevitch | 205 | 228 |
| Marios Christou | 123 | 138 |
| Costas Tziamalis | 123 | 138 |
| Yuri Ulasovich* | - | 43 |
| Julia Prihodko | 50 | 31 |
| Demos Demou** | - | 7 |
| Tasos Panteli | 13 | 14 |
| Maria Petridou | 13 | 11 |

* Yuri Ulasovich stopped being an Executive Director from May 5th, 2021,

** Demos Demou stopped being a Non-Executive Director from May 5th, 2021.

In 2022 there were the following changes in the members of the Company's Board of Directors:

- Executive directors:

- on May 4th, 2022, the Company's Annual General Meeting of Shareholders has re-elected Mr. Constantinos Tziamalis and Mrs. Julia Prihodko to the Board of Directors,

- Non-executive directors (NED):

- there were no changes in Non-Executive Directors in 2022.

Incentive pay

The objective of the Management Board incentive pay is to ensure that its members' priorities define short-term operational objectives, leading to longer-term value creation.

The incentive pay consists of a (potential) cash bonus payment, depending on achievements concerning pre-set targets:

- a) financial ("Net Profit After Tax" and "Cash From Operating Activities") and
- b) non-financial and personal objectives, which are consistent with the Company's strategy and aligned with shareholders' interests for the Chief Executive Officer, Deputy CEO of Asbis Group and Chief Finance Officer.

| Incentive pay for the management board, in USD thousand | | |
|--|-------------|-------------|
| | 2022 | 2021 |
| Siarhei Kostevitch | 773 | 851 |
| Marios Christou | 170 | 115 |
| Costas Tziamalis | 170 | 120 |
| Yuri Ulasovich* | - | 4 |
| Julia Prihodko | 35 | 20 |

* Yuri Ulasovich stopped being an executive director from May 5th, 2021

On an annual basis, the Remuneration Committee selects financial and non-financial targets for the Management Board. In selecting these targets, the Remuneration Committee takes into account analysts' forecasts, economic conditions and the Committee's expectation of performance over the relevant period.

Incentive pay criteria for 2022

The following table shows the selected criteria, their weight and the performance ranges that applied to the 2022 incentive pay:

| Criteria | Performance thresholds | Total weight |
|------------------------|---|---------------------|
| Non-financial criteria | Performance and pay-out is assessed by the Remuneration Committee per individual criteria | not quantified |

| | | |
|---------------------|--|--------------------------------|
| Personal objectives | Performance and pay-out is assessed by the Remuneration Committee per individual criteria | not quantified |
| Financial results | <p><i>Net Profit after Tax:</i> Minimum target – USD 70 m Maximum target – USD 74 m</p> <p><i>Cash From Operating Activities:</i> Generate a positive amount for 2022 from “Cash From Operating Activities”.</p> | 100% (only applies to NPAT) |

The financial results in 2022 exceeded the maximum level, hence the full amount (i.e., 100%) of the total incentive pay was awarded for this component.

In conclusion, the total incentive pay for 2022 granted to the Chief Executive Officer, the Deputy CEO, the Chief Finance Officer and the Chief Human Relations Officer amounted to 100% of the maximum opportunity. This resulted in a gross cash bonus payment of USD 773 to the Chief Executive Officer, USD 170 to the Deputy CEO, USD 170 to the Chief Finance Officer and USD 35 to the Chief Human Relations Officer.

Pensions and other benefits

Benefits

To provide a market competitive remuneration package, a number of work-related benefits are available to the Executive Directors. In addition to the fixed and incentive pay, the Company offers a range of benefits including:

- Car;
- Phone;
- House allowance;
- Medical Insurance.

Employees Provident Fund

The Employees' Provident Fund is the main scheme under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The scheme is managed under the aegis of the Employees' Provident Fund Organization. Certain members of the Management Board also participate in the Employees' Provident Fund.

A contribution is payable by each employee (the employee has the option to contribute 3%, 5% or 10%). The Company also contributes 3% on employees' fixed salary.

The benefits from the Provident Fund can only be paid to any member of such fund or to the legitimate heirs of the member:

- In case of retirement;
- In case the member becomes permanently incapable for work;
- In case of death of the member;
- In case of termination of employment of the member;
- In case of dissolution of the fund.

Pension

The members of the Management Board are not entitled to any pension contributions in addition to the fixed annual remuneration and Provident Fund contributions.

The table below presents information on performance criteria and its application in 2021

| Name of director, position | 1 Description of the performance criteria and type of applicable remuneration | 2 Relative weighting of the performance criteria | 3 Information on Performance Targets | | 4 a) Measured performance and b) actual award outcome |
|--|---|---|--|--|---|
| | | | a) Minimum target/threshold performance and b) corresponding award | a) Maximum/target performance and b) corresponding award | |
| Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer) | Income Statement: NPAT | | a) USD 71 M | a) USD 74 M | a) USD 77 M |
| | | | b) USD 710 000 | b) USD 740 000 | b) USD 851 000 |
| | Cash Flow: Cash From Operating Activities ("CFO") | | a) positive "CFO" | a) not quantified | a) + USD 41 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Marios Christou, Executive (Chief Financial Officer) | Income Statement: NPAT | | a) USD 71 M | a) USD 74 M | a) USD 77 M |
| | | | b) USD 142 000 | b) USD 148 000 | b) USD 115 000 |
| | Cash Flow: Cash From Operating Activities | | a) positive "CFO" | a) not quantified | a) + USD 41 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Costas Tziamalis, Executive (Deputy CEO) | Income Statement: NPAT | | a) USD 71 M | a) USD 74 M | a) USD 77 M |
| | | | b) USD 142 000 | b) USD 148 000 | b) USD 120 000 |

| | | | | | |
|--|---|--|-------------------|-------------------|-------------------|
| | Cash Flow: Cash From Operating Activities | | a) positive "CFO" | a) not quantified | a) + USD 41 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Julia Prihodko Executive (Chief Human Relations Officer) | Income Statement: NPAT | | a) USD 71 M | a) USD 74 M | a) USD 77 M |
| | | | b) not applicable | b) not applicable | b) USD 20 000 |
| | Cash Flow: Cash From Operating Activities | | a) positive "CFO" | a) not quantified | a) + USD 41 M |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | b) not applicable | b) not applicable | b) not applicable |
| Yuri Ulasovich, Executive (Chief Operating Officer) | Income Statement: NPAT | | a) USD 71 M | a) USD 74 M | a) USD 77 M |
| | | | b) not applicable | b) not applicable | b) USD 4 000 |
| | Cash Flow: Cash From Operating Activities | | a) positive "CFO" | a) not quantified | a) + USD 41 M |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | b) not applicable | b) not applicable | b) not applicable |
| | | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |

The table below presents information on performance criteria and its application in 2022

| Name of director, position | 1 Description of the performance criteria and type of applicable remuneration | 2 Relative weighting of the performance criteria | 3 Information on Performance Targets | | 4 a) Measured performance and b) actual award outcome |
|--|--|---|--|--|--|
| | | | a) Minimum target/threshold performance and b) corresponding award | a) Maximum/target performance and b) corresponding award | |
| Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer) | Income Statement: NPAT | | a) USD 70 M | a) USD 74 M | a) USD 76 M |
| | | | b) USD 700 000 | b) USD 740 000 | b) USD 773 000 |
| | Cash Flow: Cash From Operating Activities ("CFO") | | a) Not quantified | a) not quantified | a) - USD 56 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Marios Christou, Executive (Chief Financial Officer) | Income Statement: NPAT | | a) USD 70 M | a) USD 74 M | a) USD 76 M |
| | | | b) USD 158 000 | b) USD 166 000 | b) USD 170 000 |
| | Cash Flow: Cash From Operating Activities | | a) Not quantified | a) not quantified | a) – USD 56 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Costas Tziamalis, Executive (Deputy CEO) | Income Statement: NPAT | | a) USD 70 M | a) USD 74 M | a) USD 76 M |
| | | | b) USD 158 000 | b) USD 166 000 | b) USD 170 000 |
| | Cash Flow: Cash From Operating Activities | | a) Not quantified | a) not quantified | a) - USD 56 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |
| Julia Prihodko Executive (Chief Human Relations Officer) | Income Statement: NPAT | | a) USD 70 M | a) USD 74 M | a) USD 76 M |
| | | | b) not applicable | b) not applicable | b) USD 35 000 |
| | Cash Flow: Cash From Operating Activities Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) Not quantified | a) not quantified | a) - USD 56 M |
| | | | b) not applicable | b) not applicable | b) not applicable |
| | Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | a) not quantified | a) not quantified | a) not quantified |
| | | | b) not applicable | b) not applicable | b) not applicable |

Total remuneration for directors paid in 2021 and 2022

The following table summarizes the remuneration of ASBIS Management Board members in the financial years 2021 and 2022.

| Name of the director, Position | Year | 1 Fixed remuneration | | | 2 Variable remuneration | | 3 Extraordinary items | 4 Provident Fund | 5 Total remuneration | 6 Proportion of fixed and variable remuneration |
|--|------|-------------------------|------|-----------------|----------------------------|---------------------|--------------------------|---------------------|-------------------------|--|
| | | Basic | Fees | Fringe benefits | One-year variable | Multi-year variable | | | | |
| Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer) | 2021 | 228 | | | 851 | | 0 | 7 | 1,086 | 21%/79% |
| | 2022 | 205 | | | 773 | | - | 6 | 984 | 21%/79% |
| Marios Christou, Executive (Chief Financial Officer) | 2021 | 138 | | | 115 | | 0 | 4 | 257 | 54%/46% |
| | 2022 | 123 | | | 170 | | - | 4 | 297 | 41%/59% |
| Costas Tziamalis, Executive (Deputy CEO) | 2021 | 138 | | | 120 | | 0 | 4 | 262 | 53%/47% |
| | 2022 | 123 | | | 170 | | 0 | 4 | 297 | 41%/59% |
| Julia Prihodko Executive (Chief Human Relations Officer) | 2021 | 31 | | | 20 | | 0 | 1 | 52 | 60%/40% |
| | 2022 | 50 | | | 35 | | - | 2 | 87 | 57%/43% |
| Yuri Ulasovich, Executive (Chief Operating Officer)* | 2021 | 43 | | | 4 | | 0 | 1 | 48 | 90%/10% |
| | 2022 | - | | | - | | - | - | - | - |
| Demos Demou, Non-executive (Non-executive Director)* | 2021 | 7 | | | | | 0 | 0 | 7 | only fixed |
| | 2022 | - | | | - | | - | - | - | - |
| Tasos Panteli, Non-executive (Non-executive Director) | 2021 | 14 | | | 0 | | 0 | 0 | 14 | only fixed |
| | 2022 | 13 | | | - | | - | - | 13 | only fixed |
| Maria Petridou Non-executive (Non-executive Director) | 2021 | 11 | | | 0 | | 0 | 0 | 11 | only fixed |
| | 2022 | 13 | | | - | | - | - | 13 | only fixed |

*Yuri Ulasovich and Demos Demou resigned as directors in 2021

Share-based remuneration

Share-based remuneration is not applied by ASBIS.

Comparative information on the change of remuneration and Company performance

The annual change of remuneration of ASBIS's Management Board, the performance of the Company and the average remuneration of ASBIS are presented in the below table in a comparative manner for the last five reported financial years (RFY).

| | RFY2018 vs RFY2017 | RFY2019 vs RFY2018 | RFY2020 vs RFY2019 | RFY2021 vs RFY2020 | RFY2022 vs RFY2021 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Directors remuneration | | | | | |
| Siarhei Kostevitch, Chairman, executive (Chief Executive Officer) | 135% | -23% | 55% | 107% | -9% |
| Marios Christou, executive (Chief Financial Officer) | 54% | -3% | 66% | 60% | +16% |
| Costas Tziamalis, executive (Deputy CEO) | 59% | -4% | 66% | 63% | +14% |
| Yuri Ulasovich, executive (Chief Operating Officer) | 10% | -5% | 49% | -76% | N/A |
| Julia Prihodko, executive, (Chief Human Relations Officer) | | | | 100% | +67% |
| Chris Pavlou, non-executive (Non-executive Director) | 0% | -100% | - | - | - |
| Demos Demou, non-executive (Non-executive Director) | 0% | 100% | 40% | -50% | N/A |
| Tasos Panteli, non-executive (Non-executive Director) | | | 40% | 0% | -7% |
| Maria Petridou, non-executive (Non-executive Director) | | | | 100% | +18% |
| Total | 76% | -12% | 57% | 63% | -3% |
| Company Performance | | | | | |
| Finance metric A - Income Statement: Profit for the year | 74% | 27% | 140% | 111% | -1% |
| Finance metric B - Cash Flow: Cash from Operating Activities | -127% | 358% | 43% | -2% | -237% |
| Non-finance metric C - compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable) | | | | | |
| Average remuneration on a full-time equivalent basis of employees | | | | | |
| Employees of the Company | 11% | 3% | 20% | 8% | -3% |
| Employees of the Group | 7% | 9% | 6% | 17% | +3% |

Derogations and deviations from the Remuneration Policy and the procedure for its implementation

In 2022, the application of the Remuneration Policy for the Management Board was consistent with the policies included therein. No deviation or derogation took place.

Any use of the right to reclaim

During the reported financial year, the variable remuneration has not been reclaimed.

Information on shareholder vote

The Annual General Meeting of Shareholders of ASBISc Enterprises Plc held on the 4th of May 2022, approved a Remuneration Report of ASBISc Enterprises Plc for the year ended 31 December 2021 with the following voting result:

A number of shares for which valid votes were cast: 23,746,161 which constitutes 42.79% of the share capital.

The following number of votes were cast with respect to the resolution:

- a total number of valid votes: 23,746,161;
- votes “in favor” of the resolution: 23,437,665;
- votes “against” the resolution: 308,496;
- “abstaining” votes: 0

Signatures:

.....
 Siarhei Kostevitch
 Chairman, Chief Executive Officer
 Member of the Board of Directors

.....
 Marios Christou
 Chief Financial Officer
 Member of the Board of Directors

.....
Constantinos Tziamalis
Deputy CEO
Member of the Board of Directors

.....
Julia Prihodko
Chief Human Relations Officer
Member of the Board of Directors